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NO. 94-1121

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1994

APPLE COMPUTER, INC.

Petitioner,

V.

MICROSOFT CORPORATION AND
HEWLETT-PACKARD COMPANY,

Respondents.

BRIEF OF RESPONDENT MICROSOFT CORPORATION IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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COUNTER-STATEMENT OF ISSUES PRESENTED FOR REVIEW

A. Were the lower courts correct to reject Apple's contention that it could base its infringement claim on material it licensed Microsoft to use?

B. Were the lower courts correct to analyze the alleged similarities between the works to determine whether they resulted from unlicensed, protected expression in Apple's works?

C. Where the district court found that all similarities alleged between the works resulted from the use of licensed and unprotected material, and Apple did not challenge those determinations on appeal, did the court of appeals correctly rule that, in this particular case, Apple must show virtual identity/bodily appropriation to establish infringement?

RULE 29.1 STATEMENT

The parties to this action are Apple Computer, Inc., Microsoft Corporation and Hewlett-Packard Company.

Microsoft Corporation has no parent companies or subsidiaries except wholly owned subsidiaries.

TABLE OF CONTENTS

Page

COUNTER-STATEMENT OF ISSUES PRESENTED FOR REVIEW i

RULE 29.1 STATEMENT ii

TABLE OF AUTHORITIES vi

I. SUMMARY OF REASONS FOR DENYING THE WRIT 1

II. OPINIONS BELOW 3

III. JURISDICTION 3

IV. STATUTES AND OTHER PROVISIONS INVOLVED 3

V. COUNTER-STATEMENT OF THE CASE 3

A. The Works in Suit 3

B. Apple's Claims Against Microsoft. 5

C. Analysis of Apple's Copyright Claims by the Lower Courts 6

VI. REASONS FOR DENYING THE WRIT 9

A. Apple Mischaracterizes the Decision of the Court of Appeals 9

1. This case is determined primarily by a private contract between the parties and does not diminish the copyright protection afforded software 9

Page

2. The court of appeals did not deny copyright protection to Apple's works. 10

3. The court of appeals did not hold that a virtual identity standard was applicable to all computer graphical user interfaces 11

B. The Court of Appeals' Analysis is Consistent with the Agreement between the Parties, the Copyright Act and the Decisions of other Circuits. 13

1. The 1985 Agreement requires analysis of individual visual displays. 13

2. The Copyright Act requires analysis of the material alleged to have been copied to determine if it is protected by Apple's copyrights 13

3. There is no conflict between the court of appeals' decision and decisions of other Circuits. 16

C. This Case is not Appropriate for Supreme Court Review 21

1. The issues raised by Apple are not presented by this case 21

2. Apple's incomplete and misleading recitation of "evidence" provides no basis for review 22

VII. CONCLUSION 24

Page

APPENDIX A1

17 U.S.C. § 101 ..... A1

17 U.S.C. § 102(a) A3

17 U.S.C. § 102(b) A4

TABLE OF AUTHORITIES

Page

Cases:

Apple Computer, Inc. v. Microsoft Corp., 35 F.3d 1435 (9th Cir. 1994) 4, 7, 8, 9, 10, 11, 12, 14, 15, 23

Apple Computer, Inc. v. Microsoft Corp., 717 F. Supp. 1428 (N.D. Cal. 1989) 10, 11, 13

Apple Computer, Inc. v. Microsoft Corp., 821 F. Supp. 616 (N.D. Cal. 1993) 11

Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832 (Fed. Cir. 1992) 18, 19, 20

Atari, Inc. v. North American Phillips Cons. Elec. Corp., 672 F.2d 607 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982) 17

Atari Games Corp. v. Oman, 979 F.2d 242 (D.C. Cir. 1992) 20

Baker v. Selden, 101 U.S. 99 (1879) 14

Bellsouth Advertising & Publishing Corp. v. Donnelly Info. Publishing, Inc., 999 F.2d 1436 (11th Cir. 1993), *cert. denied*, 114 S. Ct. 943 (1994) 18

Brown Bag Software v. Symantec Corp., 960 F.2d 1465 (9th Cir.), *cert. denied*, 113 S. Ct. 198 (1992) 2, 9, 14, 17, 19

Computer Associates Int'l., Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1993) 16, 17

Page

Concrete Machinery Co. v. Classic Lawn Ornaments, Inc., 843 F.2d 600 (1st Cir. 1988).... 16

Data East USA, Inc. v. Epyx, Inc., 862 F.2d 204 (9th Cir. 1988)..... 15, 17

Engineering Dynamics, Inc. v. Structural Software, Inc., 26 F.3d 1335 (5th Cir. 1994)..... 17

Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991)..... 2, 11, 12, 13, 15, 16, 20, 22

Frybarger v. IBM Corp., 812 F.2d 525 (9th Cir. 1987)..... 15

Gates Rubber Co. v. Bando Chemical Indus., Ltd., 9 F.3d 823 (10th Cir. 1993)..... 17, 18, 19

Harper House, Inc. v. Thomas Nelson, Inc., 889 F.2d 197 (9th Cir. 1989)..... 2, 8, 9, 12, 13, 19

Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738 (9th Cir. 1971)..... 15

Kepner-Tregoe, Inc. v. Leadership Software, 12 F.3d 527 (5th Cir.), *cert. denied*, 115 S. Ct. 82 (1994)..... 17

Kregos v. Associated Press, 3 F.3d 656 (2d Cir. 1993), *cert. denied*, 114 S. Ct. 1056 (1994)..... 12

Landsberg v. Scrabble Crossword Game Players, Inc., 736 F.2d 485 (9th Cir.), *cert. denied*, 469 U.S. 1037 (1984)..... 9, 12

M. Kramer Mfg. Co. v. Andrews, 783 F.2d 421 (4th Cir. 1986)..... 17

Page

Rano v. Sipa Press, Inc., 987 F.2d 580 (9th Cir. 1993) 9

Shaw v. Lindheim, 919 F.2d 1353 (9th Cir. 1990) 15

Whelan Associates, Inc. v. Jaslow Dental Lab., Inc., 797 F.2d 1222 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987) 18

Worth v. Selchow & Righter Co., 827 F.2d 569 (9th Cir. 1987), *cert. denied*, 485 U.S. 977 (1988) 12

Statutes and Regulations:

17. U.S.C. § 101 3

17 U.S.C. § 102(b) 2, 3, 12, 14, 15

Other Sources:

Paul Goldstein, *Copyright* (1989) 13

Arthur Miller, *Copyright Protection for Computer Programs, Databases and Computer Generated Works: Is Anything New Since CONTU?*, 106 Harvard Law Rev. 977 (1993) 21

3 Melville B. Nimmer and David Nimmer, *Nimmer on Copyright* (1994) 10, 14, 21

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I. SUMMARY OF REASONS FOR DENYING WRIT

A. Apple's description of the Ninth Circuit's decision bears little relation to what was actually decided. Contrary to Apple's representation, the court of appeals did not announce a new rule generally denying copyright protection to graphical user interface computer programs. Rather, the court determined that this case turned primarily on a 1985 Agreement between Apple and Microsoft, which Apple now concedes was correctly interpreted and applied to the facts of this case. Under that agreement Microsoft is licensed to use over 90% of the material Apple claimed was copied without authorization. The remaining material was held to be outside

the scope of Apple's copyrights pursuant to 17 U.S.C. § 102(b) and other well-established principles of copyright law. Apple did not seek review of the district court's license and protectibility determinations in the court of appeals and does not seek it now. Because the allegedly copied material was either licensed or unprotected, the lower courts determined that Apple was required to show virtual identity or "bodily appropriation" to establish infringement of these works. In so doing, the lower courts followed this Court's decision in *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991) and Ninth Circuit decisions in *Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465 (9th Cir.), *cert. denied*, 113 S. Ct. 198 (1992) and *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197 (9th Cir. 1989). Faced with summary judgment motions under this test, Apple stipulated to dismissal of its complaint.

B. The approach followed by the court of appeals here and in the *Brown Bag* and *Harper House* cases is required by copyright law and is consistent with the decisions of this Court and the other circuits. All circuits require that a plaintiff prove copying of *protected* expression to establish infringement. Apple seeks to establish a rule that in effect would mean no such proof is required. Such a rule would be contrary to the Copyright Act and the decisions of this Court and the other circuits, and would provide Apple's works with unwarranted protection not afforded other copyrighted works.

C. This case is not an appropriate vehicle for reviewing the well-settled principles of copyright law. The outcome of the case was heavily dependent upon a private agreement between the parties. In any event, the copyright issues that Apple urges the Court to consider are simply not presented by this case. This case does not raise any

substantial issue of federal law warranting the Court's attention.

II. OPINIONS BELOW

The opinions below are noted at page 2 of Apple's petition and set out in its appendix.

III. JURISDICTION

Microsoft adopts Apple's statement of jurisdiction. Pet. at 2.

IV. STATUTES AND OTHER PROVISIONS INVOLVED

17 U.S.C. §§ 101 and 102.

V. COUNTER-STATEMENT OF THE CASE

A counter-statement of the case is necessary because Apple has not correctly stated the record, particularly with regard to the decisions of the courts below.

A. The Works in Suit.

Apple's works, Lisa Desktop and Macintosh Finder, are graphical computer programs which enable users of Apple's computers to organize and manipulate files and start other programs. Microsoft's products, Windows 2.03 and 3.0, are intended for users of IBM PC compatible computers and provide some of the same functionality. CR 431, ¶¶ 7, 9; CR 441, ¶ 42; CR 475, ¶ 3. Hewlett-Packard's NewWave products are separate programs that run on computers equipped with Windows.

All of the works in suit employ graphical visual displays such as windows and icons, features that originated at Xerox Corporation's Palo Alto Research Center (PARC). PARC created a pioneering graphical software product called "Smalltalk" in the late 1970s. CR 441, ¶ 25. In Smalltalk, the screen could be divided into separate rectangular areas or "windows" in which separate images, text or data could be displayed. Windows could be individually sized, moved around the screen and overlapped. CR 236 (Tesler). Smalltalk employed a pointing device or "mouse" which could be used to manipulate images on the screen. CR 236 (Tesler). In 1981 Xerox released its influential "Star" system, also developed at PARC, which used small pictures or "icons" shaped like documents, folders, printers and other office objects. CR 226, Ex. 3; CR 239, Ex. B at 16-19.

The developers of Apple's Lisa and Macintosh works were profoundly influenced by Smalltalk and Star.[1] Larry Tesler, Apple's manager of Lisa software development, wrote:

> When the Lisa development team designed the user interface, we borrowed good ideas from wherever we could find them. For example, the Lisa borrowed pop-up menus and overlapping windows from Smalltalk . . . .
>
> * * *
>
> The style of user interface that was developed first as Smalltalk, we imitated. That includes using a mouse, overlapping windows and a command language relatively free of modes.

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[1] The Macintosh Finder was derived from Lisa Desktop. CR 1, Ex. B. The Macintosh Finder interface is not different from Lisa Desktop interface in any respect material to Apple's claims. 35 F.3d at 1440 (App. at 2A).

> Later the Star systems came out and we borrowed the use of icons.

CR 236, Ex. 310; CR 236, Ex. 311 at 2.

As Steven Jobs, co-founder of Apple and leader of Macintosh development, candidly observed shortly after Apple filed this lawsuit:

> When we were developing the Macintosh, we kept in mind a famous quote from Picasso, 'Good artists copy, great artists steal,' and we believed that after seeing the user interface technology at Xerox in 1979, that our mission was to get this out to the world.

CR 137, Ex. 6.

B. Apple's Claims Against Microsoft.

In 1985, Microsoft introduced Windows version 1.0, a graphical, easy to use product that displayed icons, pull-down menus and windows. Shortly before the commercial release of Windows 1.0, Apple threatened to sue Microsoft for copyright infringement unless certain visual displays in Windows 1.0 were changed. CR 123 (Gates). Microsoft strenuously denied Apple's claim. *Id.*

Apple and Microsoft arrived at a business solution to their dispute, which is reflected in the parties' 1985 Agreement. CR 5, Ex. C. The agreement grants Microsoft a non-exclusive, worldwide, perpetual license to use the visual displays contained in Windows 1.0 in present and future Microsoft programs, and to sublicense customers such as Hewlett-Packard to use the licensed displays. *Id.*, ¶ 2. Apple received Microsoft's agreement to enhance its word processing program for the Macintosh and to delay the

commercial release of the PC version of its popular Excel spreadsheet program, then available exclusively on the Macintosh. *Id.* ¶¶ 2, 6. John Sculley, then Apple's CEO, considered these agreements by Microsoft to be crucial to the success of the Macintosh in the corporate world. CR 123 (Sculley); CR 122, Ex. L at 344-45.[2]

Apple initiated this suit in 1988, claiming that certain visual displays in Windows version 2.03 were copied from its Lisa and Macintosh works. CR 1, ¶ 7. Its complaint was later supplemented to include similar claims against Windows version 3.0, which Microsoft introduced in 1990. CR 330, ¶ 10. At the district court's request, and without objection, Apple produced a list of "similarities in particular features" alleged against Windows 2.03 (CR 153, Ex. A) and a supplemental list of alleged similarities for Windows 3.0. CR 361. Apple also alleged infringement by three versions of Hewlett-Packard's NewWave product, and its lists contained additional allegedly infringing visual displays found only in NewWave.

C. Analysis of Apple's Copyright Claims by the Lower Courts.

The central issue in this litigation was the interpretation of the 1985 Agreement under California law and application of the visual displays license in that agreement to the facts of this case. The court of appeals observed:

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[2] Apple also received a non-exclusive, worldwide, perpetual license to use any new visual displays included in future versions of Windows released within five years, i.e., through the introduction of Windows 3.0. CR 5, Ex. C, ¶ 5.

> The fact that Apple *licensed* the right to copy almost all of its visual displays fundamentally affects the outcome of its infringement claims. Authorized copying accounts for more than 90% of the allegedly infringing features in Windows 2.03 and 3.0, and two-thirds of the features in NewWave. More than that, the 1985 Agreement and negotiations leading up to Microsoft's license left Apple no right to complain that selection and arrangement of licensed elements make the interface as a whole look more "Mac-like" than Windows 1.0. Thus, we do not start at ground zero in resolving Apple's claims of infringement.

35 F.3d at 1442.

Apple had contended that the agreement licensed only the Windows 1.0 product, as a whole (but not the individual visual displays in that product), had no application to Windows 2.03 and Windows 3.0, and prohibited Microsoft from making future versions of Windows "more Macintosh-like" than Windows 1.0. On summary judgment the district court rejected Apple's contentions and held that the agreement unambiguously licensed individual visual displays for use in future Microsoft programs, including Windows 2.03 and Windows 3.0. The court of appeals similarly rejected Apple's contentions regarding the visual displays license, noting:

> The plain language of the Agreement disposes of Apple's argument . . . . Accordingly, there is no basis for construing the Agreement to grant the narrow license Apple bargained for but gave up.

35 F.3d at 1440-41 (App. at 7A-8A). Apple does not seek review of the lower courts' decisions with respect to the meaning and application of the license. Pet. at 28.

After examining the relatively few remaining unlicensed features on Apple's lists, the district court concluded they were either unprotected by (i.e., outside the scope of) Apple's copyrights or were simply not similar to features in Microsoft's works. Apple did not challenge these rulings in the court of appeals. 35 F.3d at 1438 n.5 (App. at 3A).

In light of these rulings, the district court determined that Apple would need to demonstrate bodily appropriation of its works, i.e., virtual identity, to establish infringement, citing *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197 (9th Cir. 1989). Microsoft promptly moved for summary judgment that no reasonable jury could find the works virtually identical. Apple did not oppose this motion; instead it stipulated to the dismissal of its complaint. CR 703.

On appeal Apple challenged the district court's rulings on the 1985 Agreement, its decision to determine whether Apple's claim was based on unlicensed, protectible material, and its ruling that Apple would be required to prove to the jury that its works, compared as a whole, were virtually identical to Microsoft's.

The court of appeals confirmed that the district court was correct to analyze Apple's claim to determine whether any of Apple's alleged similarities resulted from unlicensed material, and to determine if any constituted expression protected by Apple's copyrights, noting:

> [T]he party claiming infringement may place "no reliance upon any similarity resulting from" unprotectable elements . . . . Otherwise, there would be no point . . . to distinguishing ideas from expression. In this case, it would also effectively rescind the 1985 Agreement.

35 F.3d at 1446 (citation omitted) (App. at 18A). The court of appeals also agreed that, *in this particular case*, where the vast majority of the allegedly similar features were licensed and what remained was unprotected by copyright, infringement could not be found in the absence of "bodily appropriation" or virtual identity under *Harper House* and *Landsberg v. Scrabble Crossword Game Players, Inc.*, 736 F.2d 485 (9th Cir.), *cert. denied*, 469 U.S. 1037 (1984). *Id.* at 1446 (App. at 20A-21A). Since Apple did not contest summary judgment on the issue of virtual identity, the court of appeals affirmed dismissal of its complaint.

VI. REASONS FOR DENYING THE WRIT

A. Apple Mischaracterizes the Decision of the Court of Appeals.

1. This case is determined primarily by a private contract between the parties and does not diminish the copyright protection afforded software.

Apple portrays the court of appeals' decision as "rob[bing] computer software of ***any*** meaningful copyright protection." Pet. at 11. This fundamentally distorts the decision. The court's analysis was based on facts unique to this case, primarily the 1985 Agreement, under which nearly all of the material claimed to have been copied was licensed to Microsoft - a fact no longer disputed by Apple. Pet. at 28. Licensed visual displays cannot be the basis of an infringement claim. *Brown Bag Software v. Symantec Corp,*, 960 F.2d 1465, 1473, 1476 (9th Cir. 1992), *cert. denied*, 113 S. Ct. 198 (1992) (district court properly limited scope of copyright to exclude licensed features); *Rano v. Sipa Press, Inc.*, 987 F.2d 580, 585 (9th Cir. 1993) (licensor gives up the

right to sue licensee for infringement based on use of licensed material); *See also*, 3 Melville B. Nimmer and David Nimmer, *Nimmer on Copyright* § 13.03 [F][4] at 13-143 ("To the extent that two programs largely resemble each other, but the similarity results from elements plaintiff duly licensed to defendant, no liability should be found," citing the district court's decision at 717 F. Supp. 1435 (App. at 3A)).

The balance of the court's analysis of Apple's claim involved the straightforward application of well-settled rules of copyright law, and the application of those principles was not disputed on appeal by Apple. No changes in copyright law were made by the court of appeals. This case raises no significant issue of federal law.

2. The court of appeals did not deny copyright protection to Apple's works.

Apple claims that the court of appeals denied copyright protection to its works. Pet. at 11-12. This is simply not so. The validity of Apple's copyrights was not at issue. Indeed, the court made no determination regarding the protectibility of the licensed features (over 90% of the features at issue) because, as between these parties, the license made that determination unnecessary. Only the remaining unlicensed, allegedly similar features in Windows were reviewed and found unprotectible.

Apple also complains that the court of appeals denied protection for original "arrangements" of unprotected elements. Pet. at 11-12. To the contrary, the court explicitly held that an original arrangement could be protected:

> Nor does it [the rule that unprotectible elements cannot establish infringement] mean that infringement cannot be based on original

> selection and arrangement of unprotected elements.

35 F.3d at 1446 (App. at 19A).[3] Apple could have submitted its "arrangement" claim to the jury but chose not to.

In dismissing Apple's claim the court did not deny copyright protection to Apple's works. The court simply examined Apple's copyright allegations as required by law. 821 F. Supp. at 622-23 (App. at 190A-191A); *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991). Apple's real complaint is that it was not allowed to base its infringement claim on licensed and unprotected material.

3. The court of appeals did not hold that a virtual identity standard was applicable to all computer graphical user interfaces.

The court of appeals determined that, because all of the alleged similarities between Apple's works and Microsoft's works resulted from licensed or unprotected material, the protection afforded Apple's works against its licensees Microsoft and Hewlett-Packard was thin, requiring proof of "bodily appropriation of expression." 35 F.3d at 1446-47 (App. at 19A-20A). Apple's contention that the court of appeals announced a "virtually identical infringement

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[3] Apple included various arrangements of individual elements in its lists of alleged similarities between the works, e.g., scroll bars on the bottom and left, menu bar at the top, window title centered. These arrangements were held to be licensed. 717 F. Supp at 1433-1435 (App. at 45A-47A). Apple did not appeal this decision.

standard for graphical interfaces" is wrong. Pet. at 13. To the contrary, the court held:

> Which end of the continuum a particular work falls on is a call that must be made case by case. We are satisfied that *this* case is closer to *Frybarger* [computer video games] than to *McCulloch* [decorative plates].

35 F.3d at 1447 (emphasis added). Apple's claim that the court's decision was based on a broad finding that computer programs such as Apple's are "functional" is also wrong. 35 F.3d at 1442 n.10 (App. at 10A). The court of appeals simply applied the rule that the functionality of a work (i.e., the way it works as opposed to the way it looks) cannot be protected by copyright. 17 U.S.C. § 102(b) (copyright does not protect ideas, functions, methods, processes).

The court's ruling that the scope of protection here is thin was well grounded in the case law. *See Feist*, 499 U.S. at 359 (factual works receive "thin" protection); *Harper House*, 889 F.2d at 205 (where plaintiff's work was composed largely of unprotectible elements "bodily appropriation" was required to establish infringement); *Landsberg v. Scrabble Crossword Game Players, Inc.*, 736 F.2d 485, 489 (9th Cir.), *cert. denied*, 469 U.S. 1037 (1984) (game strategy book protected only against bodily appropriation); *Kregos v. Associated Press*, 3 F.3d 656, 663 (2d Cir. 1993), *cert. denied*, 114 S. Ct. 1056 (1994) (compilation of baseball statistics protected only against virtually identical copying); *Worth v. Selchow & Richter Co.*, 827 F.2d 569, 573 (9th Cir. 1987), *cert. denied*, 485 U.S. 977 (1988) (no infringement of trivia encyclopedia in absence of bodily appropriation).

Apple's proposed standard for infringement would have negated Microsoft's visual displays license, permitting

Apple to seek a jury verdict based upon similarity in licensed and unprotected material. Plainly this would have been error. *Feist*, 499 U.S. at 347-48; *Harper House*, 889 F.2d at 205.

B. The Court of Appeals' Analysis is Consistent with the Agreement between the Parties, the Copyright Act and the Decisions of other Circuits.

1. The 1985 Agreement requires analysis of individual visual displays.

The 1985 Agreement licensed the individual visual displays from Windows 1.0 for use in future programs. The district court's first task, therefore, was to determine which of the allegedly copied visual displays were licensed to Microsoft. 717 F. Supp. at 1432-33 (App. at 45A-46A). In making that determination, the district court relied upon lists prepared by Apple in which Apple identified and defined the alleged similarities between the works. *Id.*; CR 153, Ex. A; CR 361. Apple itself determined the level at which "dissection" was to occur. Apple cannot reasonably complain about the level or nature of the court's analysis of the features Apple alleged to be infringing.

2. The Copyright Act requires analysis of the material alleged to have been copied to determine if it is protected by Apple's copyrights.

It is fundamental that a copyright infringement plaintiff must show that the allegedly copied material is within the scope of its copyright: "[T]he mere fact that a work is copyrighted does not mean that every element of the work may be protected." *Feist*, 499 U.S. at 348; *See* P. Goldstein, *Copyright*, § 7.4.2.2 (1989) ("Even if plaintiff proves copying

and substantial similarity, it will lose the infringement action if the substantial similarity lies only in unprotected elements.") and *Nimmer* § 13.03 [B][2] at 13-66 ("Even when extended similarity exists between plaintiff's and defendant's works when taken as a whole, the analysis is not finished.").

Merely asserting similarity is insufficient. To the extent that similarity between the works inheres in ideas, which are by definition unprotected, or in expression that is not proprietary to plaintiff, then an "essential ingredient is lacking from plaintiff's *prima facie* case." *Id.* (footnotes omitted). *See Brown Bag*, 960 F.2d at 1476 (citations omitted):

> to the extent a plaintiff's work is unprotected or unprotectible under copyright , the scope of the copyright must be limited . . . . Thus, where two works are found to be similar without regard to the scope of the copyright in the plaintiff's work, *Data East* teaches that the source of the similarity must be identified and a determination made as to whether this source is covered by plaintiff's copyright.

Unlike a patent, the scope of a copyright is determined by the federal courts in the context of infringement litigation. *Nimmer* § 12.11 [B][3] at 12-170.1. The court of appeals concluded that the district court correctly followed "well-recognized precepts" of copyright law in determining whether the unlicensed features embodied protectible expression. 35 F.3d at 1444 (App. at 14A). First, the district court adhered to the requirement that courts separate "idea" from expression. *Baker v. Selden*, 101 U.S. 99 (1879); 17 U.S.C. § 102(b); *See Nimmer* § 13.03 [F][1] at 13-123 ("[O]nly expressions of ideas, and not the ideas themselves, are entitled to copyright protection."). Next, the district court applied standard tests designed to prevent

granting an indirect copyright monopoly in ideas, determining that certain features were unprotectible because they constituted "expression merged with idea," or were one of a very limited number of ways to express an idea. *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738 (9th Cir. 1971); *Data East USA, Inc. v. Epyx Inc.*, 862 F.2d 204 (9th Cir. 1988). Finally, the district court took account of the limitations on the scope of Apple's copyrights, denying it a monopoly in certain features because they were not original to Apple and/or because they represented a standard or common expression of an idea (i.e., *scenes a faire*). *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991); *Shaw v. Lindheim*, 919 F.2d 1353 (9th Cir. 1990); *Frybarger v. IBM Corp.*, 812 F.2d 525 (9th Cir. 1987). Based on its analysis, the district court concluded that none of the unlicensed features in Microsoft's works embodied protectible expression.[4] Apple did not appeal this conclusion. 35 F.3d at 1438 n.5 (App. at 3A).

Apple proposes a radical theory under which its copyrights would be exempt from analysis as to scope, and the works would be compared without regard to whether similarities result from unlicensed, protected material. Such a rule would ignore Section 102(b) of the Copyright Act and the public's right to access ideas and unprotected material in copyrighted works. As this Court has recently indicated:

> The primary objective of copyright is not to reward the labor of authors, but "[t]o promote the Progress of Science and the Useful Arts." To this end, copyright assures authors the

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[4] The district court did find protectible expression in "a handful of individual elements" in NewWave visual displays, but Apple chose not to proceed against Hewlett-Packard based on these displays. 35 F.3d at 1438 (App. at 3A).

> right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work.

Feist, 499 U.S. at 349 (citations omitted). The court of appeals was correct to reject Apple's approach.

3. There is no conflict between the court of appeals' decision and decisions of other Circuits.

Apple's suggestion of conflict in the circuits is insupportable. All circuits that have addressed the question require that unprotected material be identified in order to see whether plaintiff's infringement claim is based on copying of protected expression. *See*:

- *Concrete Machinery Co. v. Classic Lawn Ornaments, Inc.*, 843 F.2d 600, 608 (1st Cir. 1988) (footnote omitted) ("By dissecting the accused work and identifying those features which are protected in the copyrighted work, the court may be able to determine as a matter of law whether or not the former has copied protected aspects of the latter.");

- *Computer Associates Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 703 (2d Cir. 1992) (using "venerable doctrines of copyright law" to identify and filter ideas and other unprotected material from copyright infringement analysis);[5]

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[5] Apple erroneously suggests that the Second Circuit would not analyze a plaintiff's claim and apply the limiting doctrines of copyright law to graphical user interface works. Pet. at 20. To the contrary, the Second Circuit indicated that copyright protection for computer program displays "extends only so far as their expression

- *Kepner-Tregoe, Inc. v. Leadership Software*, 12 F.3d 527, 533-35 (5th Cir.), *cert. denied*, 115 S. Ct. 82 (1994) (citing Ninth Circuit's decision in *Brown Bag* with approval and observing: "To determine the scope of copyright protection in a close case, a court may have to filter out ideas, processes, facts, idea/expression mergers, and other unprotectable elements of plaintiff's copyrighted materials to ascertain whether the defendant infringed protectable elements of those materials");

- *Engineering Dynamics Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1343 (5th Cir. 1994) (endorsing *Computer Associates Int'l, Inc.* and *Gates Rubber Co.*: "Filtration should eliminate from comparison the unprotectable elements of ideas, processes, facts, public domain information, merger material, *scenes a faire* material, and other unprotectable elements suggested by the particular facts of the program under examination.");

- *Atari, Inc. v. North American Phillips Cons. Elec. Corp.*, 672 F.2d 607, 614-17 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982) (identifying ideas and unprotected expression in the audiovisual displays of plaintiff's game programs because the court "must take into account that the copyright laws preclude appropriation of only

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is protectable." 982 F.2d at 703, citing with approval the Ninth Circuit's decision in *Data East*. Apple's citation to *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 445-46 (4th Cir. 1986) is similarly inappropriate. Pet. at 13-14. In *Kramer*, the Fourth Circuit found that "[t]he computer programs in the record are virtually identical." *Id.*

those elements of the [plaintiff's] work that are protected by the copyright.");

- *Gates Rubber Co. v. Bando Chemical Indus.*, 9 F.3d 823 (10th Cir. 1993) (Applying filtration analysis and limiting doctrines to computer program designed to aid in selection and replacement of industrial belts);

- *Bellsouth Advertising & Publishing Corp. v. Donnelly Info. Publishing, Inc.*, 999 F.2d 1436 (11th Cir. 1993), *cert. denied*, 114 S. Ct. 943 (1994) (judgment for plaintiff reversed where district court failed to remove from consideration elements of plaintiff's work which were unoriginal, idea/expression mergers, dictated by functional considerations or were common industry practices);

- *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832 (Fed. Cir. 1992) (Applying Ninth Circuit precedent and "filtering" of unprotectible elements in plaintiff's work in analyzing copyright claims based on Nintendo's "lock and key" software program);

There is simply no conflict among the circuits requiring this Court's attention. Further, review of Apple's "examples" of supposed conflict confirms that there is no conflict.

There is no conflict with the holding of *Whelan Associates, Inc. v. Jaslow Dental Lab., Inc.*, 797 F.2d 1222 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987), that copyright protection may apply to the "sequence, structure and organization" of a computer program. Pet. at 10. In the present case, the court of appeals did not hold that copyright protection is unavailable "for the structure, sequence and organization of a computer graphical user interface, that is,

for the *work as a whole*." Pet. at 10. Rather, it held that copyright protection did exist for Apple's works as a whole, but, because of the overwhelming presence of licensed and unprotected material, such protection was thin. Accordingly, infringement would need to be based upon bodily appropriation, as in *Harper House*, to insure that any finding of infringement was based on copying of protected expression, not merely a similarity in licensed or unprotected material.

Apple also claims that there is an inconsistency among the circuits with respect to whether the dissection/filtration analysis should be conducted *before or after* the works as a whole are compared, citing *Gates Rubber Co.* This is a red herring. The approaches used by the two circuits are substantively the same. Indeed, the Tenth Circuit indicated in *Gates*:

> *The order of the analysis will depend on the individual facts and issues in each case.* Of course, even if generalized copying is established in the first instance, *it will ultimately still be necessary to establish copying of precisely identified protected elements of a program* before copyright infringement can be established.

9 F.3d at 833 (emphasis added).

Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832 (Fed. Cir. 1992) does not, as Apple suggests, stand for the proposition that a virtual identity standard is never appropriate in the context of computer programs or visual displays. In *Atari* the Federal Circuit applied Ninth Circuit precedent (including, e.g., *Brown-Bag*) to find copyright infringement based, *inter alia*, upon the "striking similarities" between *protectible elements* of the works after filtering out

unprotectible elements of plaintiff's works. 975 F.2d at 840. In contrast to this case, the *Atari* court determined that the plaintiff's claims were based upon protectible elements of expression. Accordingly, it applied the appropriate standard for the facts before it, as did the court of appeals in this case.

Contrary to Apple's assertions, no circuits have adopted a rule requiring the application of a broad "substantial similarity" standard in all cases, or precluding the application of a thin "virtual identity" standard where appropriate. Like other works, graphical user interfaces may be subject to broad or thin protection depending upon the nature and extent of the protectible expression in the material allegedly copied. This conclusion is not unique to this case or to the Ninth Circuit. On the contrary, it is entirely consistent with the reasoning and decisions of this Court and other circuits. *See, e.g., Feist*, 499 U.S. at 350, 359; *Atari Games Corp. v. Oman*, 979 F.2d 242, 244 n.4 (D.C. Cir. 1992) ("A determination of copyrightability, we note, does not mean the holder will prevail against all copiers or producers of similar works. The scope (strength or 'thinness') of the protection is a distinct inquiry."). There is no "stultifying confusion" in the law requiring the intervention of this Court.

Finally, there is no evidence to support Apple's speculation that analytical dissection of computer software copyright claims would thwart growth and innovation in the software industry. The leading treatise on copyright law states:

> It bears noting . . . that those courts [applying the filtration test] have reached rulings both in favor of plaintiffs and for the defense, demonstrating that the successive filtering analysis is designed as a neutral test, favoring neither copyright owners nor alleged infringers.

Nimmer § 13.03 [F] at 13-123; *See also*, Arthur Miller, *Copyright Protection for Computer Programs, Databases and Computer Generated Works: Is Anything New Since CONTU?*, 106 Harvard L. Rev. 977, 1072 (1993) ("The technology is thriving, both in terms of creativity and overall economics, and most judicial decisions to date seem correct both conceptually and on their facts.").

C. This Case is not Appropriate for Supreme Court Review.

1. The issues raised by Apple are not presented by this case.

Apple's "Questions Presented" are based on a fundamental mischaracterization of the decision in this case.

First, the court of appeals did not announce a rule that all graphical user interfaces would be considered under a "virtual identity" standard. It determined that, because Microsoft's visual displays license covered almost all of the allegedly copied material, and the remaining allegedly copied material was unprotectible, a virtual identity standard was appropriate.

Second, the court of appeals did not "diminish" the copyrights in Apple's works. It held only that Apple's infringement claim could not be based on licensed and unprotectible material. The court of appeals confirmed that Apple's copyrights protected its works "as a whole."

2. Apple's incomplete and misleading recitation of "evidence" provides no basis for review.

Apple's discussion of its "evidence" regarding originality, substantial similarity and "alternative designs" (Pet. at 5-8) (App. at 200A-239A)) is both irrelevant and misleading.

Microsoft did not contend that Apple's works as a whole lacked the originality needed to support a valid copyright. Microsoft's position was simply that Apple could not base its infringement claim on features that Apple admittedly borrowed from Xerox (overlapping windows, pull-down menus, icons). *See* pp. 4-5, *supra*. In such a circumstance the existence of sufficient originality in a work to sustain a copyright does not mean that the copyright extends to the unoriginal material. *Feist*, 499 U.S. at 348. In any event, since Apple did not appeal the decisions of the district court regarding the originality of particular features, and none of the elements on Apple's lists of allegedly infringing Windows visual displays were found unprotectible solely on the basis of lack of originality, the decisions of the district court regarding originality provide no basis for review.

None of Apple's cited "evidence" purporting to show "substantial similarity" relates to similarity in unlicensed *protected* expression. Statements made without regard for the basis of the claimed similarity add nothing but confusion to the analysis of an infringement claim.[6]

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[6] In fact, outside of this litigation Apple went to some lengths to emphasize the significant differences between the works. *See, e.g.*, Apple's "Windows 3.0 Announcement Positioning Statement":

Apple's argument that "alternative designs" were possible misses the point. The fact that other ideas may exist does not entitle Apple to monopolize the ideas it used. Moreover, Apple does not contest the district court's decisions that certain of its allegedly infringed features were not protected because the design alternatives were constrained by hardware and software limitations. For example, window movement is almost universally depicted with an outline of the window because it consumes less processor power. 35 F.3d at 1445 (App. at 16A).

Finally, it should be noted that the collection of deposition snippets and redacted and juxtaposed document excerpts found in Apple's appendix at 200A-239A is not part of the record of this case. In fact, Apple's attempt to submit this material to the court of appeals as a "Special Appendix" was rejected. Order of June 17, 1994. Nowhere in its petition does Apple apprise this Court of this fact.

> Q: But will the average user be able to tell the difference between Macintosh and Windows?
>
> A: Sure. People can tell the difference between a Mercedes and a Hyundai--and they're a lot more alike than a Macintosh and DOS/Windows.

CR 527, Ex. H. Apple's user interface experts Galler, Shneiderman and Shafer also identified many significant differences between the works. For example, no Microsoft icon is similar to an Apple icon. CR 602 (Shafer); CR 527 (Galler); Windows has no icon opening ("zooming rectangle") animation (CR 602 (Shneiderman); icon moving animation is not similar (CR 602 (Shneiderman); CR 527 (Galler); Windows restricts movement of certain windows to the space within the boundaries of "parent windows," a difference Shneiderman found "important." CR 602 (Shneiderman).

VII. CONCLUSION

Apple's petition for discretionary review should be denied. This case was decided primarily on the basis of a private agreement between the parties and raises no substantial issue of federal law. The court of appeals' interpretation and application of that agreement is no longer in dispute. The court's application of copyright law principles to the remainder of the case is consistent with the decisions of this Court and the other circuits.

Respectfully submitted,

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APPENDIX

17 U.S.C. § 101

Except as otherwise provided in this title, as used in this title, the following terms and their variant forms mean the following:

* * *

"Audiovisual works" are works that consist of a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.

* * *

"A collective work" is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

A "compilation" is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

A "computer program" is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.

* * *

"Copyright owner," with respect to any one of the exclusive rights comprised in a copyright, refers to the owner of that particular right.

* * *

A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."

* * *

"Pictorial, graphic, and sculptural works" include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.

* * *

A "useful article" is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a "useful article."

17 U.S.C. § 102(a)

Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(1) literary works;

(2) musical works, including any accompanying words;

(3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works;

(7) sound recordings; and

(8) architectural works.

17 U.S.C. § 102(b)

In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work. (As amended Dec. 1, 1990, Pub. L. 101-650, Title VII § 703, 104 Stat. 5133.)